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Carol X Weakley 10/25/2006 03:07:50 PM From DB/Inbox: Carol X Weakley

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RUEHJM/AMCONSUL JERUSALEM PRIORITY 4839
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SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

[1](#)1. Mideast

[1](#)2. US Israel Relations

Key stories in the media:

Internal political issues continued to dominate the Hebrew language newspapers. All media estimated that Defense Minister Amir Peretz will inform Prime Minister Ehud Olmert that the Labor party is remaining in the coalition. At a meeting Tuesday night, Peretz agreed to MK Avigdor Lieberman's Israel Beitenu party joining the coalition, in return for benefits for the Arab sector in Israel. The government meeting that is supposed to confirm Israel Beitenu's membership in the coalition was postponed until Monday, after the Labor party central committee's meeting.

All media quoted Palestinian sources as saying that the Egyptians have presented a new proposal for freeing abducted soldier Corporal Gilad Shalit, and that a group of senior Hamas officials are expected in Cairo by the end of the week. The media noted that it is not yet clear whether the head of Hamas's political bureau, Khaled Mashal will go to Cairo as well.

Ha'aretz and other media outlets reported that: "An internal opinion in the State Prosecutor's Office, which has yet to be adopted by the state prosecutor or the attorney general, recommends that a criminal investigation against Prime Minister Ehud Olmert be opened without delay. He is suspected of having acted to further the interests of two businessmen friends from abroad while serving as acting finance minister in 2005. The state prosecution is investigating suspicions that Olmert interfered with the tender for the controlling interest in Bank Leumi." The media noted that Attorney General Menachem Mazuz will decide within a few days whether to open a critical investigation.

Leading media cited CoS Dan Halutz as saying to members of the Foreign Affairs & Defense Committee that terrorist activists in the Gaza Strip have dug "an underground city of tunnels." He was also quoted as saying that Israel is very close to the point at which it will have to decide what to do about the Philadelphi route. The Jerusalem Post quoted Defense Minister Peretz as saying that there will be no large offensive in the Gaza Strip as a result of public pressure.

All media reported that an AP photographer who was kidnapped on Tuesday by Palestinian activists was freed a few hours after his abduction.

Maariv reported that EL AL Airline Company is stopping its flights to Cairo, Egypt due to high security fees.

Maariv printed the results of a TNS/Teleseker Polling Institute survey conducted among Labor party members:
"If primaries for the roll of Labor Party chairman were to be held today, who would you vote for?"
35 percent would vote for Ami Ayalon; 23 percent for Ehud Barak; 17 percent for Amir Peretz; and 14 percent for Avishai Braverman.

[1](#)1. Mideast:

Summary:

Independent, left-leaning Ha'aretz editorialized: "From Israel's point of view, there is prime diplomatic and security significance to the organizing of friendly forces in the Arab world, with which Israel shares common interests and which oppose extremist Islam and terror.... However, Olmert has apparently forgotten that Israel must do its part to strengthen the axis of moderates; declarative statements are not enough."

Liberal columnist Gideon Samet wrote in independent, left-leaning Ha'aretz: "All of us will eat the results of the Olmert-Lieberman horror show. You will eat them. We will not have long to wait. You will not have long to wait."

Diplomatic correspondent Ben Caspit wrote in popular, pluralist Maariv: "Since the state was founded, Israel has not experienced a leadership crisis of such magnitude. The political desert no longer extends outside the realm of government. It encompasses it as well. Right and left, there is nothing but desert and bereavement."

Commentator Hagai Huberman wrote in nationalist Hatzofe: "From this moment on Olmert is dependent on Lieberman. Neither the Labor Party, riven with internal disputes, nor even on his own party, Kadima, which is disintegrating at a pace which will accelerate as the next elections draw nearer, can save him."

Block Quotes:

I. "Strengthening the moderate axis"

Independent, left-leaning Ha'aretz editorialized (10/25): "A series of events over recent months has increased the fears of many governments in the Middle East of the growing power of Iran and its allies.... The result has been the coalescing of an 'axis of moderates' in the Arab world, standing alongside Israel and the United States against Iran, Syria, Hamas and Hezbollah, with the goal of halting the rise of extremist forces and maintaining the balance of powers in the Middle East.... From Israel's point of view, there is prime diplomatic and security significance to the organizing of friendly forces in the Arab world, with which Israel shares common interests and which oppose extremist Islam and terror.... However, Olmert has apparently forgotten that Israel must do its part to strengthen the axis of moderates; declarative statements are not enough. The leaders in Cairo, Amman and Riyadh will find it difficult in terms of public opinion in their countries to justify moderate positions in the face of aggressive behavior on the part of Israel, which ignores their internal and regional exigencies.... The actions of the army in the Gaza Strip in the middle of the Id al-Fitr holiday shows contempt and disregard for the feelings of the Palestinian public and the entire Muslim world. Talk of expanded military action in Gaza, which will certainly only increase with Lieberman in the cabinet, is a bad sign of things to come. Now is the time to stop and reevaluate the government's policies, so that they will suit Israel's wider interests and not only short-term political and military considerations."

II. "Horror Show"

Liberal columnist Gideon Samet wrote in independent, left-leaning Ha'aretz (10/25): "In the history of the country, there has been no one like Ehud Olmert, who with unbridled cynicism has placed the needs of a shaky coalition and personal survival considerations above the country's concerns.... At the same time, the Olmert-Peretz government is conducting a cruel war in the Gaza Strip that is exacting hundreds of victims, though it has not been declared a war.

Olmert scorns the possibility of any kind of talk with the leaders of the elected Palestinian government.... In his embarrassing, non-thunderous silence, Peretz is accompanying these moves of the prime minister's as though he were a devoted member of a virtual ruling party.... There is no point in wondering. From its very first day, the Olmert government contributed to this abandonment of Israeli values and interests, while it still enjoyed the usual beginners' credit. It was in this manner that it embarked on the war and conducted it. And thus it calculated its survival moves until now, as its political situation was worsening. Now, with its devious new partner, there isn't anything that is going to stop it.... All of us will eat the results of the Olmert-Lieberman horror

show. You will eat them. We will not have long to wait. You will not have long to wait."

III. "A Political Desert"

Diplomatic correspondent Ben Caspit wrote in popular, pluralist Maariv (10/25): "The incumbent prime minister ... broke a new national record yesterday: He is the first politician who became entangled in two different corruption affairs in one day, which join dozens of additional affairs that are associated with him and have been following him for some time. Nothing has been proven yet, there are no indictments and no police investigation, but Ehud Olmert's conduct is tainted.... The leader of the Labor Party, Amir Peretz, is playing the lead in a satirical play about himself. Humiliated by his people, abandoned by his foot soldiers and supporters, lying helpless in the main square, with the lowliest characters assailing him. Peretz joins Olmert and Netanyahu as the third side in a problematic leadership triumvirate. Hedonism and suspected corruption here, lying and deceitfulness there, a wretched and pathetic dishrag on the other hand. These are the leaders and saviors of Israel.... Since the state was founded, Israel has not experienced a leadership crisis of such magnitude. The political desert no longer extends outside the realm of government. It encompasses it as well. Right and left, there is nothing but desert and bereavement."

IV. "Lieberman's Test"

Commentator Hagai Huberman wrote in nationalist Hatzofe (10/25): "Unlike my friends on the Right I am not really shocked by Avigdor Lieberman's joining the Olmert government.... A government with Lieberman may yet turn out to be a government which will protect the settlement outposts and refrain from harming them. Until recently Lieberman made this a non-negotiable condition for joining the coalition, no less that electoral reform or the partnership union bill.... From this moment on Olmert is dependent on Lieberman. Neither the Labor Party, riven with internal disputes, nor even on his own party, Kadima, which is disintegrating at a pace which will accelerate as the next elections draw nearer, can save him. Avigdor Lieberman is now the strong man in the government. But this is the first test of Lieberman. Will his joining the government really remove the threat of eviction which is hanging over the head of the State of Israel? Will his presence in the government really remove the despicable 'realignment plan' from the agenda once and for all? If Lieberman stands up for his true principles, it can still emerge that his participation in Olmert's coalition has served the interests of the Right. If he betrays these principles also, he will never get another chance."

12. US Israel Relations:

Summary:

Prof. Uzi Arad, Chairman of the Atlantic Forum of Israel and a Professor at the Interdisciplinary Center wrote in mass-circulation, pluralist Yediot Aharonot: "It should be noted that quietly, and sometimes explicitly, all of Israel's prime ministers in the last generation have aspired to reach a defense pact with the United States. It would appear that in light of the foreseeable strategic reality, this upgrade should be considered. From an operative point of view, the last two years of the friendly administration of President Bush should be used to reach a defense pact with the United States."

Block Quotes:

"Is Israel on Its Way to a Defense Pact?"

Prof. Uzi Arad, Chairman of the Atlantic Forum of Israel and a Professor at the Interdisciplinary Center wrote in mass-circulation, pluralist Yediot Aharonot (10/25): "On October 16, Israel and NATO signed a bilateral cooperation agreement. Israel is the first country outside of Europe with which NATO has implemented the format known as the Individual Cooperation Program (ICP).... This upgrade

opens up the door for improving ties that already branched out last year.... Israeli membership in NATO includes a US defense guarantee, which renders a bilateral defense agreement unnecessary. There are those in the US who believe that the model to which Israel should aspire is similar to the one that arranges the special relations between Britain and the US.... If Israel reaches the conclusion that a defense pact, within the framework of NATO or directly with the US, will add an external deterrent aspect to it, above and beyond the deterrence that it possesses -- then it will have to decide whether to act on the multilateral track (NATO) or the bilateral track (the US), or perhaps even on both. In any case, this will involve an effort of overcoming opposition and obstacles, and Israel will need active, vigorous and sophisticated diplomacy, which leverages its capabilities, in order to achieve the goal.... It should be noted that quietly, and sometimes explicitly, all of Israel's prime ministers in the last generation have aspired to reach a defense pact with the United States. It would appear that in light of the foreseeable strategic reality, this upgrade should be considered. From an operative point of view, the last two years of the friendly administration of President Bush should be used to reach a defense pact with the United States. But if for political or other practical reasons this does not work out-then the NATO track will be the route to pursue."

JONES